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Director - Regulatory Affairs



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January 12, 2001

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

**Ex Parte: Implementation of the Local Competition Provisions in the
Telecommunications Act of 1996 - CC Docket No. 96-98**

Dear Ms. Salas,

On January 12, 2001, the attached letter was provided to Jodie Donovan-May of the Common Carrier Bureau. Copies were also provided to Dorothy Attwood, Glenn Reynolds and Michelle Carey.

Pursuant to Section 1.1206(a)(1) of the Commission's rules, and original and one copy of this letter are being submitted to the Office of the Secretary. Please associate this notification with the record in the proceeding indicated above.

If you have any questions regarding this matter, please call me at (202) 463-5293.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Scott Randolph", written in a cursive style.

W. Scott Randolph

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Director - Regulatory Affairs



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January 12, 2001

Ms. Jodie Donovan-May
Federal Communications Commission
Common Carrier Bureau
445 Twelfth Street, S.W.
5-C313
Washington, DC 20554

**Re: Implementation of the Local Competition Provisions in the
Telecommunications Act of 1996 - CC Docket No. 96-98**

ALTS *Ex Parte* Statement of December 22, 2000

Dear Ms. Donovan-May,

This letter responds to ALTS' December 22, 2000, written *ex parte* statement identifying alleged problems certain CLECs are having in converting special access services to combinations of unbundled network elements (sometimes referred to as enhanced extended links, or "EELs"). This letter was filed in anticipation of a possible meeting at the Commission between ILEC and CLEC representatives regarding operational issues related to such conversions. Notwithstanding ALTS' unsubstantiated accusations of "foot dragging, gamesmanship, and intransigence," Verizon has lived up to its promise to provide these conversions.

Since the release of the Commission's *Supplemental Clarification Order*, Verizon has been working closely with a number of CLECs to convert circuits that meet the conditions specified in the FCC's orders. Verizon has worked to ensure that CLECs understand Verizon's order processes and requirements and has assisted CLECs in submitting requests for conversions. Verizon has found that most of the delays in implementing these requests stem from the fact that the orders have significant errors or omissions, such as having no certification statement that the circuits meet the Commission's "significant local traffic" standard or identifying circuits that either don't exist or, on the face of the application clearly do not qualify for conversion under the Commission's requirements.

Verizon believes that individual meetings with those CLECs from which it has pending conversion requests would be more productive than a large-scale joint ILEC/CLEC meeting at the FCC. The latter is likely to evolve into a "gripe" session that

does not advance the ball. Nevertheless, Verizon is willing to participate if the Commission decides to proceed with the meeting. In order to insure productive results, we believe the primary participants should be representatives from individual companies that have direct responsibility for coordinating conversion requests. Further, discussion should be limited to issues directly related to the ordering and provisioning of conversions from special access services to UNE combinations under the Commission's current criteria.

Many of the issues raised in the ALTS statement, however, are not operational issues that arise under the current rules but are attempts to re-argue policy decisions the Commission has previously made. For example, many of ALTS' criticisms are that the CLECs should be allowed to "commingle" access services and UNEs. Yet, in paragraph 28 of the *Supplemental Order Clarification*, the FCC specifically denied requests that it eliminate the prohibition on commingling, citing concerns that permitting it would lead to the use of UNEs by IXC's solely to bypass special access services. There is certainly no basis to criticize the ILECs for obeying the Commission's stated policies.

CLECs also complain about the imposition of termination liabilities once the special access service is converted to a UNE. However, in order to convert special access services to unbundled element combinations, the CLECs must cancel their tariffed services. Those tariffs specify the termination liability, and ILECs are not at liberty to waive the filed rates. Moreover, carriers that subscribed to term plans have paid considerably lower rates for these services -- much less than they would have if they had taken month-to-month service. The only reason the CLECs were eligible for those lower rates was their agreement to continue to use those special access services for the full term of the plan. The tariffed termination liabilities are designed to make the ILECs whole if a customer cancels those services prematurely, as the CLECs are doing here by replacing them with unbundled network elements.

Finally, ALTS cites issues that are currently in litigation in restricted complaint proceedings at the FCC. Discussion of these items in an open forum is not only improper, but it is prohibited by the Commission's rules. Such is the case with ALTS' comments regarding Verizon's services provided to Net2000. See *Net2000 v. Verizon*, File No. EB-00-MD-018.

With respect to the remaining two CLECs that cite problems in converting circuits with Verizon, WinStar claims that Verizon should have converted circuits that violate the Commission's commingling prohibition, and XO complains about the assessment of termination liability charges. These are both issues that should not be the subject of a joint workshop to address operational concerns. ALTS repeats WinStar's claims that ordering conversions with Verizon has been difficult and that it ceased pursuing the ordering of UNE combinations with Verizon since September. However, the problems stemmed from WinStar's failure to provide orders in a form that can be processed.

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Verizon has had numerous conference calls and meetings with WinStar before and after September to address ordering issues and it is our understanding that WinStar now has all the information it needs to properly place orders with Verizon.

XO also cites problems with the ordering of new UNE combinations. However, in New Jersey a number of XO orders had incorrect codes and when questioned by the service representative, XO cancelled the orders. Subsequently, Verizon provided training documentation, correct NC/NCI codes, and escalation lists to XO to assist them in placing orders. To date, these orders have not been resubmitted.

Again, Verizon is willing to participate in a FCC-led joint meeting regarding ordering and provisioning issues with converting special access circuits to UNE combinations. However, such discussions can be productive only if they are focused on the obligations of both parties as they exist under the FCC's current rules.

If you have any questions regarding this matter, please call me at (202) 463-5293.

Sincerely,

A handwritten signature in dark ink, appearing to read "W. Scott Randolph", written in a cursive style.

W. Scott Randolph
Director – Regulatory Affairs

cc: Michelle Carey
Glen Reynolds
Dorothy Attwood